The Cyprus Club
Community Since 1929

26 Quigg Street S, Lakemba, NSW, 2195
thecyprusclub.org.au
admin@thecyprusclub.org.au
Office: +612 9557 1256

Your Questions Answered — The Future of Our Community

1. When will the AGM and elections take place?

An AGM will be held once the Club exits deed administration, estimated to be in September 2026 and resolves its debts, and fully complies with court orders and all legal requirements. This will allow members to vote within a stable, compliant organisation.

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2. Are we moving to a new home?

A property relocation committee has been established and is assessing options for suitable future premises. This process considers member feedback and data relating to the current and future needs of the Community, with the aim of ensuring the Club remains viable, active, and relevant. Members will be consulted before any final decision is made.

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3. Will there be money left after administration?

Yes. Once all obligations have been finalised, the Administrators will report on any remaining funds and how they may support the Club's future activities.

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4. How is financial transparency ensured?

Administrators are legally required to provide detailed and transparent financial reporting. Expenditure and allocations are documented and made available to members in accordance with legal requirements. In addition, the Community's internal audit committee will have access to all relevant bank accounts and documents.

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5. Why are subcommittees so important?

The long-term sustainability of the Community depends on increased participation and generational renewal. Subcommittees provide members with opportunities to contribute skills, ideas, and time, and to support the Community's ongoing development.

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6. Why aren't Taverna nights running?

Previous Taverna operations did not achieve the required level of financial sustainability. The Club is prioritising financial stability before recommencing activities that require ongoing funding. Future social activities will depend on available resources and support.

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7. What about events like the Food and Wine Festival?

Events are planned to return in 2026, subject to volunteer availability, sponsorship, and member participation. Community involvement remains essential to their success.

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8. Are we modernising our systems?

Yes. The Club is in the process of launching an integrated online booking, ticketing, and CRM system to improve efficiency, transparency, and member engagement.

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9. How can I help?

Members are encouraged to participate by joining subcommittees, volunteering, and supporting events. Active involvement plays a vital role in the Community's renewal.

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10. What is Vision 2030?

To build a sustainable, inclusive, and culturally vibrant Community space that engages youth, families, and the broader Australian public, while preserving Cypriot heritage and identity.

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11. What happens to money from any sale?

As a registered charity, the Club must ensure all funds are applied in accordance with its charitable purposes and legal obligations, including debt repayment and long-term financial sustainability. This process is overseen by the Administrator and relevant regulators.

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12. Why did this situation arise?

The NSW Supreme Court outlined the circumstances considered in relation to the Club's insolvency and the appointment of administrators. The administration process provides oversight, accountability, and a structured pathway forward.

In summary, representations, allegations, and complaints were made to authorities and regulators concerning the Community's governance and the Stanmore property. These actions, including interference with the Community's ability to convene meetings and allow members to consider and vote on the future of the Community and the Stanmore property, contributed to prolonged uncertainty and operational disruption.

Court-appointed investigators, regulators, and administrators reviewed the Community's operations and finances. These reviews found no breaches of law and no basis for the claims made.

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13. Why weren't members able to decide the future of the Stanmore property?

Members had expressed a desire to consider the future of the Stanmore property following rezoning and once further information became available.

Several General Meetings were scheduled for this purpose, including presentations from prominent corporations, some of which proposed options allowing the Community to remain in Stanmore. However, legal proceedings meant these meetings could not proceed as planned. The Court noted that prolonged uncertainty regarding decision-making was a factor considered in assessing the Club's financial position.

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14. Why was the Stanmore building closed?

The Stanmore building was not closed due to a property sale. Prior to closure, the Community upgraded the fire safety system and was issued a fire safety certificate.

Subsequently, representations were made to the relevant authority by individuals claiming to be members of the Community. As a result, a fire safety order was issued requiring the premises to cease operation.

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15. Why was the Community involved in court cases?

Representations, allegations, and complaints made to various authorities and regulators regarding the Community's governance and the Stanmore property led to regulatory reviews, court proceedings, and independent investigations.

Court-appointed investigators, regulators, and administrators reviewed the Community's operations and finances. These reviews found no breaches of law and no basis for the claims.

The investigation report submitted to the Court noted that some individuals who made allegations had links to property firms and may have stood to benefit. A copy of the report is available on the Community's website.

The NSW Supreme Court noted that these processes affected the Community's ability to manage its affairs, which ultimately led to the Community being placed into administration. The Community did not initiate the proceedings, and the outcomes confirmed that it acted lawfully.

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16. Have the Community's legal and other costs arising from complaints and allegations been addressed?

Legal and administrative costs incurred as a result of complaints, allegations, and related proceedings form part of the administration process. These matters are managed in accordance with legal requirements under the oversight of the Administrator and relevant authorities.

Where complaints, allegations, or failed legal actions are found to have been without merit, appropriate steps may be taken to pursue recovery of costs incurred by the Community, in accordance with the law.

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17. How much debt does the Club currently have?

According to the Administrator, the debt owed by the Community at the time it became insolvent, as determined by the Court, was estimated at **$10.5 million**.

This figure includes the cost of refinancing existing long-standing legacy debt, accrued interest, and funds required to comply with the Fire Safety Order.

The estimated debt comprises of:

- ***Refinancing of legacy debt and accrued interest***

    - In 2021, the Company borrowed $3.56m from Cyprus Capital to partially repay borrowings from Delphi Bank and member loans
    - In 2023, the Company borrowed an additional $910k from Cyprus Capital for the purpose of funding working capital and daily operations (the Approved Purpose).
    - In 2024, the Company borrowed $7.5m from Sydney Wyde.

- In 2025, the Administrators borrowed $17.6m on behalf of the Community from Avari. The terms of this loan included: 10.5% per annum interest rate or a default interest rate of 15.5% if the Community does not meet its obligations under the loan.
  Following legal proceedings, the refinance with Avari was executed, resulting in $17.6 million being advanced and applied as follows:

  ► $5.9m was paid to Cyprus Capital, covering principal, variable and fixed interest, and redeemable legal costs, net of the $400k previously redeemed by Cyprus Capital during the time Receivers and Managers were appointed.
  ► $7.3m was paid to Sydney Wyde, with the pro-rata prepaid interest reclaimed by the Company.
  ► $1.1m paid into Court in relation to disputed costs claimed by Cyprus Capital, including those arising from the Cyprus Capital's appointment of Receivers and Managers.

- ***Working capital/costs associated with Fire Safety Order***

  A Fire Safety order was served to the Company by the Inner West Council with a date to comply by 30 August 2025, with an estimated cost up to $1.1m which the Company could not pay. As the company was sold, the Fire Safety Order was not implemented.

- ***Administrator's fees investigate claim/allegations***

  The initial estimation of cost for EY was between $300,000 to $350,000 however due to the ongoing litigation the costs are as follows:

  - Voluntary Administration – 24 September 2024 to 31 July 2025 $2,090,446.50
  - Voluntary Administration – 1 August 2025 to 10 September 2025 $153,983.78
  - Voluntary Administration – 10 September 2025 to date of execution of DOCA $47,917.29
  - **Estimated total remuneration – Voluntary Administration 2,292,347.57**
  - DOCA – from date of execution of DOCA to date of finalisation of DOCA $255,979.20

Total amounts will be paid upon finalisation of DOCA.

- ***Legal-Court fees in defence of Community assets, Receiver appointed Cyprus Capital Ltd (Dr Costa, Ms Dorothy B. Costa, Mr John Stasi), EY professional fees to date, Legal advice obtained to defend Community assets, Funds given to Cyprus Capital Loan, Funds taken by Cyprus Capital Ltd claiming it for their costs***

  <u>Payments</u>

  Wages & salaries (67,378)

Cash sweep to the Receivers & Managers (1,008,478)
Operational expenses (72,734)
Houses Renovations (38,904)
Insurance (50,818)
Cyprus Capital payout (former secured creditor) (5,846,603)
Sydney Wyde payout (former secured creditor) (7,264,910)
Disputed amount paid to court (regarding refinance application) (1,092,324)
Refinance costs (396,715)
Legal Fees (1,411,805)
Property strategy costs (55,019)
PAYG Paid (1,906)

For detailed information, please refer to the 2025 September Voluntary Administrator's Report using the link below:

https://thecyprusclub.org.au/publications/

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18. Is the debt increasing or decreasing?

There is **no further increase in debt**.

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19. What is the plan to reduce the debt?

The Court ordered the sale of the **Stanmore property** to repay the debt.

In addition, the Court and the Administrator required the Community to implement measures to ensure it becomes **sustainable and financially viable**. These measures include systems to meet future financial obligations and comply with charity law and other regulatory requirements which are now in place.

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20. How is the Club managing the debt?

The Administrator is overseeing the management of the Community's debt.

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21. What has changed since exiting administration?

The Community's operational activities and duties are now being conducted **as normal**.

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22. Have creditors been paid?

Creditors will be paid once the **Stanmore property settlement** is completed.

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23. Who is managing the money now?

All funds are currently managed by the **Administrator**, who will report to the Courts, creditors, and members at the conclusion of the administration.

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24. What measures have been put in place to prevent this from happening again?

The Administrator and regulators identified that the current Constitution does not comply with modern governance standards, regulations, or the law.

As a result, the Administrator retained lawyers to draft a **new Constitution** that addresses issues identified by the Courts and regulators:

- The existing Constitution is more than **50 years old**
- **It is not compliant with current regulations and laws**
- **It is not fit for purpose as a Community-Club-History**
- Stakeholders are being consulted before the new Constitution is presented

In the interim, the Community has implemented:

- A formal budget
- A business plan
- A strategic plan with clear goals
- Expenditure controls consistent with its obligations as a charity
- Restructure of the organizations
- Digital compliance and management system

All measures are overseen by the Administrator, who is regulated by the Courts and relevant authorities.

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25. Why should members trust the Club again?

The reasons for the administration are outlined in detail in Court judgments, which are available on the Community's website.

The Administrator investigated numerous allegations made by a small number of members, including serious claims. These matters were examined by the Courts and regulators.

An **independent report** detailing the Community's governance, finances, and the lawfulness of the administration is available on the Community's website.
thecyprusclub.org.au/publications

The investigations found **no breaches of the law and no breach of trust (dishonesty) and no breach duty of or any conflict of interest**. The report did find that several of the persons making the claims were to benefit from the consequence of the information they were distributing. Allegations raised as part of a misinformation campaign were tested by the Courts and the Administrator and were **not supported by any evidence**.

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26. Why don't Board members introduce themselves and speak to members?

Board members are volunteers with careers, families, and other commitments.

They are **not compensated** for the significant time they contribute or the personal risk they undertake, as recognised by the Courts and acknowledged by the Administrator.

As the courts and the administrator noted, its important directors are respected and appreciate the effort and risks they take to discharge their responsibilities for no personal gain.

Board members regularly engage with members and stakeholders—often weekly or even daily. Members are welcome to meet Board members at Community functions, events, and subcommittee meetings.

Members and supporters are encouraged to join subcommittees, get involved, contribute, and become part of the Community's future.

Director profiles and biographies are available online, and directors can be contacted at any time.

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27. It has been heard that a new location has been found. Is this true?

No, it's not true, once a location is shortlisted, it will be announced to all members, and member feedback will be sought. A property can not be purchased till settlement of Stanmore takes place.

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28. If the Community moves, how much money will be left?

This matter is covered in **FAQ point 3**. Further details will be provided once these matters are finalised.

29. What can members do now?

This information is provided to support informed discussion and constructive participation as the Community works toward a sustainable and inclusive future.

The Community is moving forward with renewed focus. New subcommittees have been established, participation is increasing, and there is growing involvement from youth, families, and volunteers. A combination of established and new programs, events, and services is being developed to ensure the Community remains relevant, viable, and vibrant.

Members are encouraged to stay engaged, contribute where possible, and participate in upcoming initiatives. We look forward to seeing you at subcommittee meetings, cultural and sporting activities, commemorative events, festivals, educational programs, and major Community celebrations planned for 2026.

Please remember to renew your membership online, invite friends and family to join, and subscribe online to the Community's electronic newsletter to stay informed.

As always, please feel free to call or meet for a coffee with the Community's Honorary Secretary, Kyriakos Panayi—he's always happy to chat and discuss any questions or concerns. You can contact him on 0410 581 819.